



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

After seeing weakness overnight, the Mar'25 Brent futures contract has continued to decline on Thursday morning, falling from \$82.25/bbl at 0700 GMT down to \$81.68/bbl at 1050 GMT (time of writing). In the news today, South Korea's industry minister Ahn Duk-geun said the country is looking to import more US oil and gas to diversify energy sources and ensure stable supplies given tensions in the Middle East. This came as Israel intensified strikes on Gaza overnight only hours after a ceasefire and hostage release deal was announced on 15 Jan, with Israel's acceptance of the deal remaining unofficial until it is approved by the country's security cabinet, as per Reuters. In other news, Russia claimed it damaged ground infrastructure of one of the largest natural gas storage sites in Ukraine's Lviv region, while Ukraine said gas flows were uninterrupted, according to Bloomberg. Russia's Defence Ministry stated on Telegram that the strikes early Wednesday were in response to Ukraine's use of US and British missiles on Russian territories. Finally, spot premiums for Middle East crude rose to their highest in more than two years amid strong demand from China and India, seeking alternatives to sanctioned Russian crude. QatarEnergy has more than doubled its price for al-Shaheen crude oil loading in March to \$3.81/bbl above Dubai quotes. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$1.38/bbl and \$5.61/bbl, respectively.

## CRUDE

This morning in Dated, we saw spreads open higher with Feb DFL trading at \$1.52/bbl and the March DFL at \$1.24/bbl. There was again bank selling of the Feb Dec DFL strip at \$0.76/bbl and the Feb/Mar DFL stayed firm around \$0.30/bbl even with front rolls offered and spreads starting to come off. In structures, we saw the 27-31 Jan Cal Jan roll hit down very low to -\$1.70/bbl and the 27-31 Jan Cal March roll traded down to \$2.57/bbl. We also saw the 24-48 Feb Cal March roll offered down to \$0.88/bbl and the 20-24 Jan 1w roll traded at \$0.35/bbl, with the 13-17 roll offered down to \$0.03/bbl.

## FUEL

In HSFO this morning, 380 opened stronger with buying interest from majors short covering in Feb/Mar 380 at \$6.00/mt to \$6.25/mt. As a result, this supported the front crack from -\$4.70/bbl to -\$4.60/bbl. 380 structure down the curve was better bid going into the window, however, spreads turned offered shortly after except Mar/Apr, where we saw outright buying from \$7.75/mt to \$8.25/mt. We then saw outright selling in Feb barge crack from -\$7.60/bbl to -\$7.85/bbl, and 380 E/W saw some buying from \$20.00/mt to \$20.75/mt as a result. Feb/Mar barges was therefore a touch weaker, trading from \$1.25/mt to \$1/mt, and Feb/Mar 380 saw mixed interest at \$6/mt as the morning progressed.

In VLSFO this morning, Sing 0.5 was stronger pre-window, as front spreads were well bid at open with Feb/Mar trading up to \$7.25/mt from \$7/mt (yesterday's close). We saw buy-side interest in Feb/Mar to Apr/May going into the window, and this supported the front Sing crack. This in combination with the outright buying in Feb Sing crack caused it to rally from \$10.80/bbl to \$11.05/bbl. As the morning progressed, we saw sell-side interest in Q3'25 0.5% E/W at \$39.75/mt and the front 0.5% EW was also offered, which put pressure on the front Sing crack. Q2'25 Sing crack saw offers from \$10.90/bbl to \$10.70/bbl, which caused the front Sing crack to further weaken down to \$10.80/bbl. As a result, Sing spreads down the curve were a touch weaker with Jun/Sep offered at \$16/mt. In Euro, front crack was implied at \$4.30/bbl. Structure down the curve was better bid due to the weakness in 0.5% EW, with Feb/Mar trading at \$8.00/mt pre-window.



## DISTILLATES

This morning in distillates, the Feb/Mar Sing gasoil spreads initially came off to \$1.12/bbl before being bid back up to \$1.18/bbl as the Mar/Jun was offered down to \$2.80/bbl. The prompt E/W was initially hit down on screen to lows of -\$26.75/mt before rallying back to -\$25.00/mt post-window as the Q2'25 and Q3'25 were bid, trading at -\$19.00/mt and -\$18.25/mt. The prompt regrade was sold down to -\$1.90/bbl as the kero spreads rallied, the Feb/Mar and May/Jun to \$0.87/bbl and \$0.65/bbl, respectively.

ICE gasoil spreads were rangebound for the morning, the Feb/Jun trading to highs of \$41.50/mt before retracing back to \$39.50/mt as the cracks were similarly rangebound, the Q1'25 trading at \$21.07/bbl. The NWE jet diffs continued to see strength in the prompt, the Feb rallying to \$39.50/mt as the Q3'25 remained rangebound at \$52.50/mt. Heating oil spreads were rangebound as the HOGOs came off, the Q1'25 to 15 c/gal.

## GASOLINE

This morning in gasoline, we saw Feb 92 flat price valued at \$86.90/bbl at the end of the window equivalent to \$6.55/bbl on a crack basis as MOC was offered in Feb and bid in March. Feb 92 cracks traded from \$6.50/bbl to \$6.15/bbl post-window as Q3'25 cracks were offered down to \$7.55/bbl from \$7.75/bbl. Eastern spreads were offered as Feb/Mar came off from \$0.18/bbl to \$0.11/bbl where buying came in as Mar/Apr weakened to \$0.35/bbl from \$0.44/bbl. Feb E/W softened on weaker 92 cracks and European buying from -\$1.80/bbl to -\$2.20/bbl as Q4'25 E/W saw selling at -\$0.55/bbl; Feb EBOB cracks were bid from \$8.20/bbl to \$8.45/bbl. EBOB spreads were also supported with Feb/Mar trading up to -\$5.50/mt and Mar/Apr seeing buying up to -\$34.50/mt from -\$35.25/mt. Feb arbs came off from 7.40c/gal to 6.80c/gal on stronger EBOB strength as Mar RBBRs saw selling from \$9.97/bbl to \$9.75/bbl.

## NAPHTHA

This morning in naphtha, we saw flat price trade at the end of the window at \$682.50/mt with MOC better offered. Cracks were implied at -\$3.85/bbl end window and there was initially flat price buying in Feb and Mar at end of window which flipped to sell-side flow later. Spreads were offered this morning, with Feb/Mar trading at \$6.25/mt during the window and Q2/Q4'25 well offered through the morning down to trade at \$34/mt post-window with phys on the sell-side. E/W was also offered with Feb valued at \$22.75/mt during the window and trading at \$22/mt post-window with Q2'25 seeing selling from \$21/mt to \$20.50/mt. NWE cracks were rangebound this morning, trading between -\$6.40/bbl and -\$6.25/bbl, valued at -\$6.35/bbl end window with Q2'25 still seeing selling at -\$5.55/bbl. The front spread was valued at \$5/mt this morning and there was buy-side interest in the Q2/Q3'25 crack roll at \$0.20/bbl.

## NGLS

This morning in NGLs, FEI weakened on a crude percentage basis with spreads also weakening in prompt and significantly in deferred. In prompt, we saw Feb/Mar trade down to \$14.50/mt; whilst in deferred spreads, we saw Feb/Dec and Q3/Q4'25 trade down to \$45.50/mt and -\$8.50/mt, respectively. Physical window was mixed with a bid being made and improved for 2H Feb at Bal-Jan FEI minus \$1/mt and an offer for 2H Feb at Feb FEI plus \$10/mt. Arbs were fairly quiet but gained strength on FEI weakness and crude with Mar trading at -\$154/mt and Feb implied at -\$142/mt. FEI/CP saw weakness in prompt and deferred with Mar and Q2'25 trading down to -\$9.50/mt and \$12/mt; whilst E/W was slightly lower on FEI weakness with Feb implied at \$55.50/mt.



## GLOBAL MACRO

- Bonds rally aggressively (yields lower), dollar lower, Nasdaq +2.45%, VIX lower as core CPI comes in lower than expected. NOTE: this is a big turn around in yields and the dollar, the market is now starting to price more aggressive FED cuts again.
- US CPI 0.4% M/M, EXP. 0.4% \*U.S. CPI CORE 0.2% M/M, EXP. 0.3%.
- US CPI 2.7% Y/Y, EXP. 2.9%, \*U.S. CPI CORE 3.2% Y/Y, EXP. 3.3%.
- But just as inflation data comes in lower the Bloomberg Commodity TR index hit a two-year high overnight, up 5.4% this month.
- Small businesses' hiring plans continue to ramp back up ... as of December, highest since May 2023. But note, small business optimism also jumped in 2016, Trump's 1st term.
- Japan – OIS market is pricing 22bp hikes at next weeks BOJ meeting, on 24th.
- Very modest return to growth in November (+0.1% m/m) for the UK economy, but these are small variations around zero in a pretty random data series!
- Reuters - China reportedly eyes unwanted Volkswagen factories to gain foothold in German market.

Data today:

- US retail sales
- Overnight China GDP



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